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i-CONTROL HOLDINGS LIMITED

超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1402)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it approved the adoption of the Share Award Scheme on 3 February 2021.

Pursuant to the Share Award Scheme, the Board may from time to time during the Award Period at its absolute discretion select any Eligible Person to be a Selected Participant and grant an Award to such Selected Participant subject to such vesting criteria and conditions (if any) as the Board may determine. For the purpose of satisfying the Award(s) made, the Board may determine at its absolute discretion, that the Company shall allot and issue new Shares to the Trustee and/or procure the transfer of Shares from an existing Shareholder to the Trustee and/or provide the Trustee with the necessary funds to acquire Shares through on-market transactions at the prevailing market price.

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme and is therefore not subject to the provisions of Chapter 17 of the Listing Rules. However, where new Shares are to be issued and allotted for the purpose of satisfying Awarded Shares, application will be made by the Company to the listing committee of the Stock Exchange for the approval for the listing of and the permission to deal in the relevant Awarded Shares.

THE SHARE AWARD SCHEME

The Board is pleased to announce that it has approved the adoption of the Share Award Scheme on 3 February 2021. Principal terms of the Share Award Scheme are set out below.

Purpose

The purpose of the Share Award Scheme is to recognise the contributions by certain Eligible Employees to the Group, to provide them with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for further development of the Group.

Administration

The Share Award Scheme shall be subject to the administration of the Board and in accordance with the Scheme Rules and the Trust Deed.

Operation of the Scheme

1. *Grant of Awards*

The Board may, from time to time, at its absolute discretion during the Award Period select any Eligible Person to be a Selected Participant and grant an Award to such Selected Participant. The Board may impose such vesting criteria and condition(s), if any, as it deems appropriate under an Award. Subject to all applicable laws, the Board may determine, amend and/or waive any one or more of such vesting criteria and conditions under an Award (or any part thereof).

For the purpose of satisfying the Award(s) made or to be made, the Board may determine at its absolute discretion, that the Company shall allot and issue new Shares to the Trustee and/or procure the transfer of Shares from an existing Shareholder to the Trustee and/or provide the Trustee with the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price.

2. *Restrictions on Grants*

Notwithstanding the Board's absolute discretion in granting an Award, no Awards shall be made under the following circumstances:

- (a) where the requisite approval from any applicable regulatory authorities has not been granted;
- (b) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Share Award Scheme, unless the Board determines otherwise;
- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction; or
- (d) where such grant of Award would result in a breach of the Scheme Limit (as defined below) or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders.

For the avoidance of doubt, any Award made under the above circumstances shall be null and void.

3. *Rights attached to Awards*

Any Award granted but not yet vested shall be personal to the Selected Participant and shall not be assignable or transferable. A Selected Participant shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with the vesting conditions thereof and the Scheme Rules and shall have no rights to the Residual Cash and/or the Returned Shares. Neither the Selected Participants nor the Trustee shall exercise any voting rights in respect of any Awarded Shares that have not yet vested.

4. Vesting of the Awards

For the purpose of vesting of an Award, or any part thereof, the Board may:–

- (a) direct and procure the Trustee to release from the Trust the relevant Awarded Shares to the Selected Participant and transfer the same to the Selected Participant in such manner as determined by the Board from time to time; or
- (b) to the extent that, at the determination of the Board, it is not practicable for the Selected Participant to receive the Awarded Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board shall direct and procure the Trustee to sell the number of Awarded Shares so vested in respect of the Selected Participant on-market at the prevailing market price and pay the Selected Participant the Actual Selling Price of such Awarded Shares.

5. Lapse of Awards

Where a Selected Participant:–

- (a) ceases to be an Eligible Person by reason of retirement, any outstanding Award not yet vested shall continue in full force and effect in accordance with the Scheme Rules unless the Board determines otherwise at its absolute discretion;
- (b) ceases to be an Eligible Person by reason of termination of employment with the Group, any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board determines otherwise at its absolute discretion;
- (c) dies, the Board shall at its absolute discretion determine whether the outstanding Awarded Shares to the deceased Selected Participant or any part thereof shall be deemed to have been vested immediately prior to his or her death, and any outstanding Awarded Shares not deemed to have been so vested shall be deemed forfeited upon the death of the Selected Participant;
- (d) is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board determines otherwise at its absolute discretion; and
- (e) ceases to be an Eligible Person for reasons other than those set out above, any outstanding Awarded Shares not yet vested shall be immediately forfeited, unless the Board determines otherwise at its absolute discretion.

Where Awarded Shares are not vested or are forfeited they shall become Returned Shares. The Trustee shall hold all Returned Shares to be applied towards future Awards.

6. Merger, Privatization or Change in Control of the Company

If there is any proposed merger or privatisation of the Company by way of a scheme or by way of an offer, or a general or partial offer, share repurchase offer or scheme of arrangement or other transaction in like manner which may result in a change in control (“**control**” having the meaning ascribed to it under the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC) of the Company, the Board shall at its sole discretion determine whether the vesting date(s) of any Awards will be accelerated.

Scheme Limit

The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding Awarded Shares that have been forfeited in accordance with the Share Award Scheme) to exceed 15% of the entire issued share capital of the Company as at the Adoption Date without Shareholders’ approval (the “**Scheme Limit**”). The Scheme Limit shall be refreshed automatically on each anniversary date of the Adoption Date during the Award Period, such that the Scheme Limit so refreshed shall not exceed 15% of the issued share capital of the Company as at the relevant anniversary date of the Adoption Date.

Awards to Directors

In respect of any proposed Award to a Selected Participant who is a Director, such Award has to be firstly approved by the independent non-executive Directors.

Alteration of the Share Award Scheme

The Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Selected Participant in respect of Award(s) granted to him/her, unless otherwise provided for in the Scheme Rules, except:

- (a) with the consent in writing of Selected Participants amounting to three-fourths in nominal value of all Awarded Shares held by the Trustee on that date;
- (b) with the sanction of a special resolution that is passed at a meeting of the Selected Participants amounting to three-fourths of the votes; or
- (c) the sanction of an ordinary resolution passed by the shareholders of the Company at a general meeting.

Duration and Termination of the Share Award Scheme

The Share Award Scheme shall commence from the Adoption Date and, unless early terminated by the Board, end on the Business Day immediately prior to the tenth anniversary thereof provided that such termination shall not affect any subsisting rights of any Selected Participant under the Scheme Rules in respect of the Award already granted to him/her.

Following the vesting, forfeiture or cancellation (as the case may be) of the last outstanding Award made under the Share Award Scheme, the Trustee shall sell all the Shares and, if the Trustee considers it practicable, any other non-cash trust fund remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company, and remit all cash and net proceeds of such sale and other funds remaining in the Trust (after making appropriate deductions in respect of all stamp duty and other costs liabilities and expenses in accordance with the Trust Deed) to the Company.

OTHER INFORMATION

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme and is therefore not subject to the provisions of Chapter 17 of the Listing Rules. However, where new Shares are to be issued and allotted for the purpose of satisfying Awarded Shares, application will be made by the Company to the listing committee of the Stock Exchange for the approval for the listing of and the permission to deal in the relevant Awarded Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:–

“Actual Selling Price”	the actual price at which the Awarded Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs and expenses) on vesting of an Award or the relevant part thereof or in the case of merger or privatisation of the Company, the consideration receivable under the related scheme or offer;
“Adoption Date”	3 February 2021;
“Award”	an award granted to a Selected Participant, which may vest in the form of Awarded Shares or the Actual Selling Price of the Awarded Shares in cash, as the Board may determine in accordance with the terms of the Scheme Rules;
“Award Period”	the period commencing on the Adoption Date and ending on the Business Day immediately prior to the tenth anniversary of the Adoption Date;
“Awarded Shares”	the Shares granted (where applicable, subject to vesting and/or other conditions) to a Selected Participant in an Award, together with any Related Income thereof;
“Board”	the board of Directors;

“Business Day”	any day on which the Stock Exchange is open for the trading of securities;
“Company”	i-Control Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1402);
“Director(s)”	director(s) of the Company;
“Eligible Person(s)”	any individual, being an employee (whether full time or part time), director (including an independent non-executive director), officer, consultant or advisor of any member of the Group who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group, provided that no individual who is resident in a place where the grant, acceptance or vesting of an Award (even in the form of Actual Selling Price) pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme and such individual shall not therefore be an Eligible Person or, where applicable, shall cease to be an Eligible Person;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Related Income”	in relation to a Share held under the Trust, all income derived from the Share in the form of Shares (including bonus Shares and scrip dividend), but shall not include any nil-paid rights, warrants, options and/or non-cash and non-scrip distributions which are derived from the Share or the net proceeds from any sale of such rights, warrants, options and/or non-cash and non-scrip distributions or Residual Cash;

“Residual Cash”	cash held under the Trust (including without limitation (i) any cash paid to the Trustee or made available to the Trust by way of settlement or otherwise contributed by the Group as permitted under the Scheme Rules or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied by the Trustee in the acquisition of any Shares;
“Returned Shares”	such Awarded Shares that are not vested and/or are forfeited or cancelled in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be so under the Scheme Rules;
“Scheme Rules”	the rules of the Share Award Scheme adopted by the Board and as amended from time to time;
“Selected Participant”	any Eligible Person approved for participation in the Share Award Scheme by the Board and who has been granted an Award;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation re-classification or re-construction;
“Share Award Scheme”	the share award scheme of the Company adopted by the Board on the Adoption Date;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	the trust deed to be entered into between the Company as the settlor and Upbest Securities Company Limited as the initial Trustee in respect of the Share Award Scheme;

“Trustee”

the trustee(s) from time to time of the Trust, and initially, Upbest Securities Company Limited, a company incorporated in accordance with the laws of Hong Kong and licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and

“%”

per cent.

By Order of the Board
i-Control Holdings Limited
Zhong Naixiong
Chairman

Hong Kong, 3 February 2021

As at the date of this announcement, the executive Directors are Mr. Zhong Naixiong, Mr. Yau Wing Keung, Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun; the non-executive Director is Dr. Wong King Keung and the independent non-executive Directors are Mr. Fong Chi, Mr. Fung Chan Man Alex, Mr. Lum Pak Sum and Mr. Mong Cheuk Wai.